

2430 E STREET NW.
WASHINGTON 25, D. C.

MEMORANDUM FOR: Assistant Director in Charge of
Legislative Reference
Bureau of the Budget.

SUBJECT: Compensation for Deputy Director, CIA.

1. With reference to your telephone conversation of 11 January 1949 with Mr. Pforzheimer, the following comments are made in connection with the provision of S. 103, "A Bill To increase rates of compensation of the President, Vice President, Speaker of the House of Representatives, and heads and assistant heads of executive departments and independent agencies."

2. It is noted that Section 5(a) of S. 103, on page 6 at line 23, provides that the Deputy Director of Central Intelligence shall receive basic compensation at the rate of \$17,500 per annum. As you are aware, the present Deputy Director of this Agency is Brig. Gen. E. K. Wright, who has served as Deputy Director since June 1946. During all of this period Gen. Wright has been, and at the present time is, on active duty in the regular Army of the United States.

3. Under these circumstances, the question arises whether the proposed provision of S. 103, insofar as it applies to the Deputy Director of CIA, might be in conflict with the dual compensation law (5 U.S.C.A. 58). This provides that no money appropriated by any act shall be available for payment to any person receiving more than one salary when the combined amount is more than \$2,000, unless otherwise specifically authorized by law. (See also 5 U.S.C.A. 69).

4. Although the same practical situation arises in connection with the Director's salary, which is increased to \$20,000 in Section 4(a) of S. 103, special provision for the appointment of military personnel to the position of Director and for payment of salary was specifically made in Section 102(b) of the National Security Act of 1947.

5. If it appears that S. 103 will be enacted in its present or similar form, it may be necessary to submit appropriate amendments to the National Security Act of 1947 for the consideration of the substantive committee concerned, in order to provide for the payment of our Deputy Director. A draft of new paragraphs which might be used to replace the present Section 102(a) and (b) of the National Security Act, is forwarded herewith.

6. In the proposed revision of the present Section 102(a) of the National Security Act, we have merely deleted the last sentence, which provided the old salary for the Director (now included in Section 4(a) of S. 103).

7. In the proposed revision of the present Section 102(b) of the National Security Act, we have broadened its terms to include the payment of any officer appointed to an office within CIA, for which particular office compensation may be specifically established by law. This is intended to cover not only the Director and Deputy Director, as presently contemplated by S. 103, but also our Executive or Assistant Directors, should their positions be included in subsequent specific legislation introduced by the President, and should any of those positions be filled at that time by military personnel.

R. H. HILLENKOETTER
Rear Admiral, USN
Director of Central Intelligence

Encl: 1

Draft of proposed revision of Sections
102(a) and 102(b) of the National Security
Act of 1947 (Public Law 253, 80th Congress).

Sec. 102.(a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services or from among individuals in civilian life.

(b)(1) Except as provided in paragraph 102(b)(2), the appointment to an office within the Agency for which particular office compensation may be specifically established by law, of a commissioned officer of the armed services, and his acceptance of and service in such office, shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer shall, while serving in such office, receive the military pay and allowances (active or retired, as the case may be) payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which the salaries established by law for such offices exceeds the amount of their annual military pay and allowances.

(2) If a commissioned officer of the armed services is appointed or assigned to an office within the Agency, for which particular office compensation may be specifically established by law, then --

(A) in the performance of the duties of such position, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with

the Department of the Army, the Department of the Navy, the Department of the Air Force, or the armed services or any component thereof; and

(B) he shall not possess or exercise any supervision, control, powers, or functions (other than such as he possesses, or is authorized or directed to exercise, in such position) with respect to the armed services or any component thereof, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or any branch, bureau, unit or division thereof, or with respect to any of the personnel (military or civilian) of any of the foregoing.

(An appropriate effective date should be included, when determined).